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DE RUEHBU #0523/01 1251842 ZNY CCCCC ZZH O 051842Z MAY 09 FM AMEMBASSY BUENOS AIRES TO RUEHC/SECSTATE WASHDC IMMEDIATE 3656 INFO RUCNMER/MERCOSUR COLLECTIVE IMMEDIATE RUEHBW/AMEMBASSY BELGRADE IMMEDIATE 0002 RUEHRL/AMEMBASSY BERLIN IMMEDIATE 1184 RUEHLO/AMEMBASSY LONDON IMMEDIATE 1326 RUEHFR/AMEMBASSY PARIS IMMEDIATE 1515 RUEHPS/AMEMBASSY PRISTINA IMMEDIATE RUEAIIA/CIA WASHINGTON DC IMMEDIATE RUEATRS/DEPT OF TREASURY WASHINGTON DC IMMEDIATE

C O N F I D E N T I A L BUENOS AIRES 000523

SIPDIS

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TAGS: EFIN PREL AR KV SUBJECT: ARGENTINA LEANS TOWARDS VOTING TO ABSTAIN ON KOSOVO'S APPLICATIONS FOR IMF AND WORLD BANK MEMBERSHIP

REF: A. STATE 33629

- **1B.** STATE 43681
- 1C. BUENOS AIRES 0441
- 1D. 08 BUENOS AIRES 0168
- ¶E. 08 BUENOS AIRES 1211
- ¶F. 08 BUENOS AIRES 1244

Classified By: Charge d'Affaires Thomas P. Kelly for reasons 1.5 b and

- $\P 1.$ (C) Summary. Econoff joined German, French, and UK colleagues April 29 in delivering Ref A points on Kosovo's IMF and World Bank membership to Jose Mina, Director of the Argentine MFA's Central and Eastern Europe Office. Mina strongly argued against Kosovo's membership in the IFIs, but agreed the GoA should cast its vote. Germany's Ambassador to Argentina and Econoff separately demarched Finance Secretary Hernan Lorenzino, who has the lead on IMF and World Bank issues for the Economy Ministry. Lorenzino told Econoff April 30 that he had "partial agreement" from the Economy Minister that the GoA will formally vote to abstain. As of early May 5, Lorenzino has not confirmed the GoA decision. End Summary.
- 12. (C) In response to refs A and B regarding Kosovo's IMF and World Bank votes, Econoff accompanied German, French, and UK political officers in a joint demarche on April 29, 2009, with Jose Mina, Director of the Central and Eastern Europe Office at Argentina's Foreign Ministry. The participating foreign Embassy officers raised all points provided Ref A, stressing in particular that Argentina should at least vote in writing, even if it is an abstention or "no" vote. While arguing strongly against Kosovo's membership in the IFIs, Mina agreed that the GoA needs to cast its vote to help make sure that this issue does not languish until the IMF/World Bank fall 2009 meetings.
- 13. (C) Mina said that "from Argentina's perspective, Kosovo as an independent country does not exist; rather it is still a province of Serbia that 'self-declared' its independence." Mina seemed to confuse the status of the IMF and World Bank votes, arguing that Argentina had already abstained in the vote regarding Kosovo's IMF membership and that the key vote now is for World Bank membership. (Comment: Mina appears to have confused the April 6 IMF Executive Directors' vote with the Board of Governors' vote.) He argued that "unlike the IMF, which has already determined that Kosovo qualifies as an independent state, the World Bank requires that members be recognized countries."
- 14. (C) Mina further argued that approving Kosovo's membership in both institutions, but especially the World Bank, would as

- a practical matter undermine the advisory proceedings before the International Court of Justice (ICJ) concerning Kosovo's 2008 declaration of independence. Nevertheless, he reiterated that "we need to vote on this one and resolve the issue now, so that it is not on the agenda of the next (IMF/World Bank) meeting." (Comment: Mina providing surprising detail on Argentina's historically close relationship with ex-Yugoslavia, and noted the ample number of bilateral agreements between the two countries. Technically, these now continue between Argentina and Serbia, he noted. Mina added that Foreign Minister Jorge Taiana is well briefed on this issue, and also knows the region well due to his father's time as Argentina's Ambassador to Yugoslavia "during the war.")
- 15. (C) Germany's Ambassador to Argentina also raised this issue on April 28 with Finance Secretary Hernan Lorenzino, who has responsibility for IFI issues at the Economy Ministry. The German Ambassador reportedly reiterated the same points, arguing that if Argentina is not able to support this initiative it should at least formally abstain or vote "no" to help create a quorum. German Embassy officials report that Lorenzino responded that this was an interesting idea and agreed to raise the issue with Economy Minister Carlos Fernandez.
- 16. (C) Econoff followed up with Lorenzino April 30 and again on May 4. Lorenzino responded late on April 30 that he had partial agreement that the GoA would vote to help establish a quorum. He added that the "likelihood is that we will abstain. I do not think we will vote positively." Although Lorenzino agreed to follow-up with additional details, on May
- 4 he was still unable to confirm the GoA's decision.
- 17. (C) Comment: Kudos are due to the German Embassy in Buenos Aires for taking the lead on organizing the joint demarche and pushing Lorenzino to discuss the GoA's vote with the Economy Minister. Although it is unlikely our collective efforts have succeeded in convincing the GoA to support Kosovo's IFI memberships, they may have increased the chances that Argentina will at least support building a quorum. End Comment.